

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7740**

**BILL NUMBER:** SB 553

**NOTE PREPARED:** Feb 26, 2007

**BILL AMENDED:** Feb 22, 2007

**SUBJECT:** Secretary of State Fees.

**FIRST AUTHOR:** Sen. Drozda

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill decreases certain filing fees charged by the Secretary of State, if a document is filed electronically.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) *State General Fund:* Fees for filings with the Secretary of State are deposited in the state General Fund. To the extent that companies, partnerships, and nonprofits would file using electronic means, revenues could be reduced by \$5 to \$15 per filing under the bill.

Based on business reports and Uniform Commercial Code filings that have added online filing services in the last five years, the Secretary of State's office (SOS) estimates that 15% to 30% of users will adopt electronic filing for these documents within the first two years of use. The maximum usage rate expected by the SOS is 50%. The decrease in revenue to the state General Fund based on these usage rates and 2005 business volume calculated by SOS is presented in the table below:

<b>% Adopting Electronic Filing</b>	<b>15%</b>	<b>30%</b>	<b>50%</b>
<b>Revenue at current filing rates</b>	\$2,651,910	\$2,651,910	\$2,651,910
<b>Revenue at proposed filing rates</b>	\$2,583,895	2,515,885	\$2,425,205
<b>Reduction</b>	<b>\$68,015</b>	<b>\$136,025</b>	<b>\$226,705</b>

The table below shows the reductions for filing fees included in the bill for filings using an electronic medium.

<b>Document</b>	<b>Current Law Fee</b>	<b>Proposed Fee for Electronic Filing</b>
Business Corporation - Articles of Incorporation	\$90	\$75
Business Corporation - Application for certificate of authority	\$90	\$75
Limited Liability Partnership - Registration	\$90	\$75
Foreign Limited Liability Partnership	\$90	\$75
Limited Partnership - Certificate of Limited Partnership	\$90	\$75
Limited Partnership - Application for registration	\$90	\$75
Nonprofit - Articles of Incorporation	\$30	\$20
Nonprofit - Application for certificate of authority	\$30	\$20
Limited Liability Company - Articles of Incorporation	\$90	\$75
Limited Liability Company - Application for certificate of authority	\$90	\$75

Revenues for specific filings are not broken out in the accounting record. Total revenues deposited in the state General Fund for filings were \$5.4 M in FY 2005 and \$6.8 M in FY 2006.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Secretary of State.

**Local Agencies Affected:**

**Information Sources:** Auditor's Data, *Indiana Handbook of Taxes, Revenues, and Appropriations - FY 2006*, Legislative Services Agency; Indiana Secretary of State.

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